

Bookkeeping for a Small Business





Digitized by the Internet Archive
in 2017 with funding from
University of Alberta Libraries

BOOKKEEPING FOR A SMALL BUSINESS

This booklet is directed at people who plan on operating a business and doing their own bookkeeping. If you have started your business or anticipate doing so in the near future, we suggest you read and implement the enclosed ideas on how to keep bookkeeping records.

The system that we outline in the following pages is simple, yet one which is applicable to many different types of business. We recognize that each business is different and suggest that you read our system and see how it can be applied to your business. If you do not feel confident about following our system, you should seek help from a professional accounting or bookkeeping service, or consult with one of our Business Analysts at an Economic Development and Trade office nearest you. See the back of this publication for office locations.

Overall, our bookkeeping system will attempt to keep track of various transactions as they occur. In most businesses cash is received every day, primarily through sales. This cash is then either used directly to pay expenses or is deposited in a bank and cheques are issued. Our system will keep track of these transactions and provide an accurate record of accounts payable, accounts receivable, bank balance, sales, and petty cash.

In order to make this system work for you, it is not necessary that you have extensive education or business experience. All that is required is your commitment to be thorough, to be accurate and to devote sufficient time each day to keep your bookkeeping records current.

"Bookkeeping for a Small Business" is one of a series of booklets published by Alberta Economic Development and Trade, Small Business and Industry Division. Other booklets that may be useful are:

- Starting a Small Business
- Financing a Small Business
- Marketing for a Small Business
- Operating a Small Retail Business
- Operating a Small Manufacturing Business
- Operating a Small Service Business
- Selecting a Small Business Computer System

These publications are available at all Economic Development and Trade Offices and Alberta Treasury Branches listed in the back of this publication.

TABLE OF CONTENTS

	PREFACE	
Chapter 1	BOOKKEEPING	1
	Financial Statements	
	Accountants	
Chapter 2	RECORDS	5
	What Records Should Be Kept	
	Aging of Accounts Receivable	
	Will Your Books Balance?	
	Bookkeep Daily	
	NSF Cheques	
Chapter 3	PAYROLL	13
	New Employers	
	How It Works	
	Employer Contribution	
	Remittance	
	Employment Standards Branch	
	Labour Standards	
	How To Pay Yourself	
Chapter 4	GENERAL INFORMATION	19
	Alberta Health Care Insurance	
	The Workers' Compensation Board	
	General Tips	
	ALBERTA ECONOMIC DEVELOPMENT AND TRADE OFFICES	22
	ALBERTA TREASURY BRANCH OFFICES	24

CHAPTER ONE

BOOKKEEPING

WHAT IS BOOKKEEPING?

Bookkeeping can be simply defined as the recording of the transactions of a business. Many people who start businesses are unaware of the type of bookkeeping records that should be kept. It is the purpose of this booklet to outline a workable, yet simple system for you to maintain the necessary records as you conduct business in Alberta.

After you have read and studied this booklet you will not be an accounting expert nor will you be able to prepare your own financial statements. Instead, you will keep records in such a manner that you will have internal control over your affairs, plus your records will be in such shape that an accountant can quickly produce accurate financial statements.

WHY IS BOOKKEEPING NECESSARY?

From time to time, the owners of a business will want to know how much money has been made or lost during a certain period. In addition, an overview of the financial position of the business is required in order that its assets, liabilities and owner's equity can be examined.

Perhaps equally as compelling a reason to maintain proper records is that the Income Tax Act states that both an income statement and a balance sheet must be filed with the Minister each taxation year. Revenue Canada, Taxation, provides a handy booklet titled "Small Business Income Tax" which covers many of the taxation issues of importance to persons starting small businesses. Write or phone:

Revenue Canada, Taxation	
9700 - Jasper Avenue	220 - 4 Ave. S.E.
Edmonton, Alberta	Calgary, Alberta
T5J 4C8	T2G 0L1
Phone: 420-3544	Phone: 292-4225

Bookkeeping is therefore inescapable. The business person who turns it into a useful management tool will be better prepared to make decisions and ultimately more successful than those who do not.

FINANCIAL STATEMENTS

THE RESULTS OF BOOKKEEPING

From the various records that will be described in the following chapters, it will be possible to prepare what are referred to as financial statements.

Financial statements consist of two documents, a balance sheet which shows the financial position of the business at the time of the report, and an operating statement which shows how it arrived at this position. Revenue Canada, Taxation, provides "A Guide to the Standard Financial Statements" which greatly assists in preparing statements for income tax purposes. The guide is free and is available through any Revenue Canada office.

A document which is rapidly gaining in importance is the statement of change in financial position. Accountants, bankers and management are placing increasing emphasis on this statement

which shows how changes in working capital occurred over a specified time period. A statement of change in financial position is not a requirement of the Tax Act but management is increasingly using it as a tool to better profits and cash flow. You should discuss this with your accountant and weigh the benefits against the cost of having such a statement prepared.

BALANCE SHEET

A Balance Sheet is a snapshot of your business at a particular moment. It is based upon the accounting equation:

$$\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$$

A very simple example of a balance sheet might be:

Any Alberta Business
Balance Sheet
at December 31, 198X

Assets		Liabilities	
Cash	\$ 1,200	Bank note payable	\$ 6,000
Inventory	13,500	Accounts payable	5,500
Automobile	3,100		
		Equity	
		Owner's equity	6,300
	<u>\$17,800</u>		<u>\$17,800</u>

Thus we see the equation balances and the financial situation is disclosed, at least in part.

INCOME STATEMENT

To complete the financial statement picture, it is necessary to prepare an operating statement. This is usually called a statement of profit or loss, income and expense statement, or simply income statement.

Regardless of the name, it discloses how the business did *over a specified time period*.

Any Alberta Business
Income Statement
For the year ended December 31, 198X

Sales		\$66,00
Cost of Sales		<u>25,200</u>
Gross Profit		40,800
Expenses		
Rent	\$ 9,600	
Advertising	2,100	
Interest	900	
Wages	21,500	
Travel	400	
		<u>34,500</u>
NET PROFIT		<u>\$ 6,300</u>

The profit retained in the business is reflected back in the balance sheet in the owner's equity section. Thus the two statements are intertwined and together complete the financial picture of a business.

ACCOUNTANTS

WHAT ARE ACCOUNTANTS?

Most businesses have their financial statements prepared by a professional accountant. Few business persons feel comfortable in preparing financial statements either for internal use or tax reporting purposes. Professional accountants are constantly dealing with tax and accounting matters and, therefore, due to the complexities of today's business world, businesses hire an accountant to prepare the statements and make up the income tax return.

Some accountants have professional degrees, others do not.

In Alberta, chartered accountants (C.A.), certified general accountants (C.G.A.), certified management accountants (C.M.A.), and registered public accountants (R.P.A.), maintain associations which govern conduct, set uniform exams and keep members informed of developments within the industry.

We suggest that, unless you are well qualified through education or experience you leave the preparing of financial statements to the experts. However, how much work he does and consequently the amount of his fee depends largely on you.

Most accountants do not want to do your bookkeeping because they simply do not have the staff or the time to make the monotonous entries. Your accountant will do it if necessary. However, you will be billed on the amount of time he spends on your account and his rate is the same whether he is doing the financial statement or the day-to-day bookkeeping.

For this reason, it will pay you to do as much of the preliminary work as you can. Most accountants will actually prefer that you do the bookkeeping and allow them to get on with the highly skilled business of preparing financial statements and tax planning. Not all think this way but most would and a simple conference with your accountant will outline to you the types of records that he or she want you to keep and how they should be maintained.

Most accountants prefer to work in their own offices and expect you to deliver books and papers to them and pick them up when they have been processed. Remember the rule of thumb that your accountant's time is your money. Anything you can do which will require him to spend less time working on your behalf will lessen your accounting bill.

HOW MUCH DO ACCOUNTANTS COST?

As with any business operating under a free enterprise system, there is a great variety of services and rates. Existing rates for an accountant's time in Alberta, currently range from \$50.00 to \$150.00 per hour depending upon who you talk to and the level of expertise required. The important thing is that you discuss fully

with your chosen accountant what his rates are and as well receive a ball park figure for the anticipated charge in preparing your financial statement. If you are not satisfied, shop around. You are the buyer of the service. Therefore, be aware of the alternatives.

The three major professional accounting organizations in Alberta provide a referral service for anyone seeking assistance in obtaining professional advice. Please contact the following for referral services:

Institute of Chartered Accountants of Alberta

Edmonton: 424-7391

Calgary: 264-3420

Certified General Accountants Association of Alberta

Calgary: 283-6620

Edmonton: 428-0689

The Society of Management Accountants of Alberta

Calgary: 1-800-332-1106

HOW OFTEN SHOULD FINANCIAL STATEMENTS BE PREPARED?

Only as often as management feels they are required. The very minimum would be once a year as prescribed by the Income Tax Act. However, most businesses prefer statements more often than that. Monthly, quarterly and semi-annual statements are common for many businesses, always keeping in mind that the benefits obtained by management, from reading the statements, must be balanced against the cost of having them prepared.

Most businesses should have statements prepared on at least a semi-annual basis. This is because any trends, good or bad, that are being developed will show up in financial statements. By leaving it longer than semi-annually, it might be too late to make any necessary corrections before the business suffers irreparably.

Remember, financial statements have a limited time value. In today's business world things happen fast and a financial situation can be greatly altered in just a few weeks or even days. For this reason, lending institutions will consider only statements they feel are "current" and correctly reflect the financial state of affairs.

Keep your records up-to-date and get the information into your accountant's hands as soon as possible. This makes the financial statements much more relevant to the reader and is a reflection on your competence as a business person.

If you are starting a business call your accountant in early, so that you know what sort of financial records are to be kept and he knows when financial statements are to be prepared.

CHAPTER TWO

RECORDS

As you organize a bookkeeping system for your business there are four types of ledgers or forms that you will use. These are:

- 1) Daily cash sheet
- 2) Accounts receivable ledger
- 3) Synoptic ledger

Most retail, wholesale and service businesses make sales and receive cash each day.

If your business makes sales on a daily basis, then some sort of control must be placed on the cash received. The term 'cash' includes not just currency but cheques, money orders and credit card slips.

WHAT RECORDS SHOULD BE KEPT?

1) THE DAILY CASH SHEET

The proper control of cash is of absolute importance if the business is to be successful. Improper cash records will result in an accounting headache. It also could lead to overpaid income tax and employee dishonesty. Sloppy cash habits may prove to be a temptation someone may find unbearable. It is your money, learn how to protect it.

Sales should be recorded on the daily cash sheet, a sample of which follows as Exhibit "A":

EXHIBIT "A"
ANY ALBERTA BUSINESS
DAILY CASH SHEET

Day:	<i>Thursday</i>	Date:	<i>Aug 13</i>	Year:	<i>199X</i>
A.	Opening Balance				<u>\$ 100.00</u>
B.	Collections:				
	Gross Sales			\$	<u>425.00</u>
	A/C Receivable Collected				<u>240.00</u>
	Other Income Collected				<u>10.00</u>
	Less: Sales Returns			-	<u>15.00</u>
	Sales on Account			-	<u>110.00</u>
	Total Cash Received Today				<u>550.00</u>
C.	Total Cash Available (A + B)				<u>\$ 650.00</u>
D.	Cash Disbursements:				
	Petty Cash Slips			\$	<u>5.00</u>
	Miscellaneous	<i>Purchases</i>			<u>120.00</u>
	Total Disbursements Today				<u>125.00</u>
E.	Net Cash (C - D)				<u>\$ 525.00</u>
F.	Actual Cash Count				<u>\$ 524.00</u>
G.	Cash (Short) or Over				<u>\$ (1.00)</u>
H.	Opening Float Tomorrow				<u>\$ 99.00</u>
I.	Bank Deposit (F - H)				<u>\$ 425.00</u>

From this it can be seen that all of the cash which flows into the business each day is accounted for. Any discrepancy must be acceptable by you, the owner. If there are consistently major overages or shortages, then management must find the reason.

By studying Exhibit "A" it can be seen that total cash available of \$650 is arrived at by adding the opening float to cash sales and other cash collected. Cash was then used for expenses and purchases. A \$99.00 float was kept on hand for the start of tomorrow's business, and \$425 was bank deposited.

If you do a daily cash sheet you will account each day for your cash. Don't get excited if each day you are only out small amounts. Major discrepancies are called immediately to your attention and any on-going problem with cash will have to be eliminated before it becomes even more serious.

The frequency of bank deposits will depend upon the amount of cash that is generated by the business and the proximity of the bank. Only keep on hand the amount of cash you are prepared to lose. All banks maintain 24 hour deposit service and it takes only a few minutes to prepare a deposit.

If the stationery store in your neighborhood does not have something resembling the daily cash sheet that we have used, check with other stores or have some made at your local printers. Remember, you will be using one every day so it does not take too long to go through a stack of four or five hundred.

2) ACCOUNTS RECEIVABLE LEDGER

If your business makes sales using accounts receivable, then you should have an accounts receivable ledger.

Each customer who charges is assigned a page and these are kept alphabetically. A sample of a page from the accounts receivable ledger is as follows:

LEDGER					EXHIBIT B
NAME <i>Customer, John</i>					
ADDRESS <i>1604 Amy Street S.W., Calgary T2K 000</i>					
PHONE <i>261-6284</i>					
REFERENCES <i>Bank of Montreal, Main Branch</i>					CREDIT LIMIT <i>\$500.00</i>
<i>Charged 4523 000 000 000</i>					
DATE	REFERENCE	CHARGES	CREDITS	BALANCE	
BALANCE FORWARDED					
<i>Aug 13/8X</i>	<i>INVOICE 7145</i>	<i>110.00</i>		<i>110.00</i>	
<i>Aug 15/8X</i>	<i>CREDIT NOTE #14</i>		<i>12.00</i>	<i>98.00</i>	
<i>Aug 28/8X</i>	<i>INVOICE 7216</i>	<i>342.00</i>		<i>440.00</i>	
<i>Sept 16/8X</i>	<i>CHEQUE # 924</i>		<i>200.00</i>	<i>240.00</i>	

AGING OF ACCOUNTS RECEIVABLE

Each customer's name, address and telephone number are clearly stated at the top of each page. What follows is a history of the credit business you have conducted with this customer. In this example, Mr. John Customer charged items totalling \$110.00 on August 13th, returned \$12.00 of the items to the shop on August 15th, charged additional items for \$342.00 on August 28th and finally mailed us a cheque for \$200.00 on September 16th leaving a balance of \$240.00. The example credit limit of \$500.00 is used to control the account to insure excessive amounts of credit are not given without prior authorization by management.

By merely adding up the balance on each card, you will be able to quickly determine how much is owed by those to whom you have given credit privileges.

The ledger cards should be kept in alphabetical order in a separate binder or tray. That way they are easy to find and control.

This type of ledger is available at most stationery stores and is inexpensive.

Each month the accounts receivable should be "aged". This means all the accounts are listed and the total balance owed by each customer is divided up into what amounts are current, over 30 days, over 60 days and over 90 days.

This form immediately shows you, the manager, which of your accounts receivable are overdue and will require extra collection efforts. If you are using a General Assignment of Book Debts as security for a line of credit from a chartered bank, it is almost a certainty that each month the bank will request an aged list of accounts receivable.

An example of such a list would be as follows:

Aged List of Accounts Receivable
as at September 20, 198X

Customer	Current	Over 30	Over 60	Over 90
Abigail Apple	16.50	64.18		
Bruce Biscuit		3,532.82		
John Customer	240.00			
Fly by Night Airlines				416.00
Semi-Slow Payers Ltd.		64.50	82.10	
Rubber Cheque Co.	10.40			61.10
TOTAL	<u>266.90</u>	<u>3,661.50</u>	<u>82.10</u>	<u>477.10</u>

This analysis shows two accounts in the over 90 day column which may result in being written off to bad debts. Additional credit should not be given to such accounts unless there are very extenuating circumstances.

Both you and your bank will be interested in which accounts are delinquent and what percentage of the total receivables they represent.

3) ACCOUNTS PAYABLE LEDGER

Each supplier of any goods or service that your business

purchases from and agrees to pay at a later date would have a page in an Accounts Payable Ledger.

The accounts of this ledger will be filed alphabetically and an example of this is shown below:

LEDGER

EXHIBIT C

NAME

ABC Company

ADDRESS

2120 Main Street, Edmonton, Alberta

PHONE

274-0000

REFERENCES

Ed Brown - President
Lee Lewis - Salesman

DATE	REFERENCE	CHARGES	✓	CREDITS	✓	BALANCE
BALANCE FORWARDED						
AUG 13/8X	INVOICE 6901	910.00				910.00
AUG 20/8X	INVOICE 7214	312.00				1222.00
SEPT 12/8X	CHEQUE #214			416.00		806.00

It is easy to see that in this particular example on August 13th \$910.00 worth of material was purchased and on August 20th a further \$312.00. On September 12th a cheque was sent in the amount of \$416.00 leaving a balance of \$806.00

We can see at a glance how much is owed each individual company and as well see when the last cheque was sent to a particular supplier. Any disputes regarding payment of invoices, cheques mailed, etc., can be solved much quicker if such a system is maintained.

To find the total owing to all the creditors, add the various balances. This will give an accurate and up-to-date total if these ledger cards are posted on a daily basis.

Both accounts payable and accounts receivable ledgers must have three columns on each page — charges, payments and balance.

The pages in the ledgers can be loose leaf pages, cards or anything else. The only thing that is important is that it be orderly and contain sufficient information.

If you are not satisfied with the ledger pages used in these exhibits, then design your own or find one which better suits your needs.

4) THE SYNOPTIC LEDGER

There is a way the bookkeeping records can be combined or condensed in order that some control is exercised and you do not have ledgers in every drawer of your office.

In fact, most small businesses have but one journal, a "Synoptic", which is derived from Greek meaning "see everything at once." This ledger is sometimes called a Combined Journal or Combined Ledger.

The number of columns the ledger will have depends upon the scope of the business and how often the various types of transactions occur.

In the following example, a ledger using 28 columns is used. There are 14 columns on a page and the ledger is merely opened to double the columns. This type of ledger is available at most stationery stores at reasonable cost. Pages can easily be added thus the ledger will last for an indefinite period regardless of the number of entries made.

Line 1. Since we are assuming this is an existing business and not one starting up on this day, there are balances to be carried forward:

Cash on hand to start the day's business was	\$ 100.00
Balance at the bank was	2,118.64
Total accounts receivable were	4,487.60
Total accounts payable were	3,471.19

NOTE: The columns for accounts payable and accounts receivable act as a control for each of the ledgers containing the various accounts. In other words, if you added up all of the individual accounts in the receivable ledger it should total \$4,487.60 and similarly the payables should total \$3,471.19.

Line 2. All relevant numbers from the daily cash sheet are entered into the synoptic ledger each day. Check the example of the daily cash sheet and you will readily see where the numbers on this line come from.

Line 3. Each day there may be cash over or cash short. Again this number comes from the daily cash sheet and is either treated as other income or miscellaneous expense.

Line 4. Goods were received from ABC Company totalling \$910. Accounts payable increased \$910 as did the individual page for ABC Company in the accounts payable ledger. A further entry of \$910 is made under the purchases column to signify it was a purchase and not an expense.

Line 5. Cheque #47 in the amount of \$712 was sent to Smith and Company to pay for something which had been charged previously. A corresponding entry for the \$712 payment would also be made on the Smith and Co. ledger card in the accounts payable ledger.

Line 6. Cheque #48 was given to Stanley Landlord to cover the August rent. A brief notation at the right of the ledger page outlines what the expense was about.

Line 7. Cheque #49 remitted the employees payroll deductions to the Receiver General. Payroll will be covered in detail in Chapter 3 of this booklet.

Line 8. Equipment in the amount of \$400 was purchased and paid for from Equipment Sales Ltd.

	198X		CASH			BANK			SALES		ACCOUNTS RECEIVABLE			ACCOUNTS PAYABLE		
			IN	OUT	BAL	IN	OUT	BAL	DEPT.1	DEPT.2	CHARGE	PAYMENT	BAL	CHARGED	PAYMENT	BAL
1		BALANCE FORWARD			100.00			211.00					4407.60			347.19
2	AUG 13	DAILY CASH SHEET	550.00	550.00	100.00	425.00		211.00	425.00	(1500)	1110.00	2110.00	4357.60			347.19
3	"	CASH OVER														
4	"	ABC COMPANY												91.00		438.19
5	"	SMITH AND CO. 47					71.20	1832.64							71.20	366.99
6	"	STANLEY LANDLORD 48					503.00	1333.64								
7	"	RECEIVER GENERAL 49					311.26	1020.92								
8	"	EQUIPMENT SALES LTD. 50					400.00	620.92								
9	"	LARRY JONES 51					146.26	874.22								
10	"	NSF C. BOUNGING					21.65	452.57			21.65		4379.25			
11	"	N.S.F. T. SEEYALATER					385.00	414.07								
12																
13																
14																
15																
16																
17																
18																

Line 9. Cheque given to employee for week's wages. Employees and payroll are discussed in detail in Chapter 3.

This would conclude the entries for August 13th. The next business day the same procedure would be repeated.

1. Post from the daily cash sheet
2. Post invoices charged to supplier
3. Write up all cheques issued.

WILL YOUR BOOKS BALANCE?

The daily cash sheet accounts for the movement of cash, both in and out. The synoptic journal accounts for all cheques issued plus items charged on accounts.

The above procedure represents the more tedious aspect of bookkeeping. Few people actually look forward to posting entries in the various ledgers and so they tend to put it off. Make a habit of doing it each day, say every morning before you have coffee. If the bookkeeping is done daily it only takes a few minutes.

Just because you do not like doing it, does not mean you can put it off and eventually the problem will go away. Instead, the problem will get worse. The fact of the matter is that as you become more familiar with the record-keeping of your business you will become a better informed manager.

There is nothing else the books can do but balance if you write down every transaction as described above. Tips to ensure your books will balance are:

- 1) Transfer all the items from the Daily Cash Sheet
- 2) Post in Synoptic Ledger, the cash over or short
- 3) Post changes in accounts payable
- 4) Post all cheques written

Make little explanations where room permits on the ledger. This may help the accountant prepare the financial statements if a more detailed explanation is given.

The four "Balance" columns of cash, bank, accounts receivable and accounts payable should agree to actual counts.

Accountants traditionally have dealt in "debits" and "credits" and in so doing have brought confusion, mystery and acid indigestion into accounting. Do not concern yourself with such

	OTHER		OWNERS		PURCHASES		PAYROLL	RENT	DRAWINGS	UTILITIES	ADVERTISING	INTEREST	FREIGHT	MISC.	
	INCOME	ASSETS	LIABILITIES	INVESTMENT	DEPT. 1	DEPT. 2									
															1
		1100				1200								500	2
		1100				91000									3
															4
															5
															6
															7
8	AUGUST RENT							500.00							8
9	REMITTANCE FOR JULY														9
10	PURCHASE OF EQUIP.		40000												10
11															11
12															12
13															13
14															14
15															15
16															16
17															17
18															18

terminology. Make certain that each cheque is fully explained on the synoptic and that each daily cash sheet is properly posted and you cannot go far wrong.

BOOKKEEP DAILY

Balance each line— know where the money went or where it came from so that it never becomes a big job to find an error.

Stay on top of it, or, instead of being a useful management tool, it will become an uncontrollable inaccurate mess. If you do not have the time or the ability to do the bookkeeping, then other arrangements must be made. Professional bookkeeping services are available if you cannot do it yourself. Consult either the yellow pages or discuss the problem with your accountant to find an affordable and satisfactory solution.

There are those businesses that do not ordinarily deal in cash. These businesses tend to deal mostly with cheques or credit cards.

Occasionally cash is required for something such as postage stamps or another can of coffee. How then is this to be handled?

PETTY CASH

A cheque for some small amount say, \$50.00 is made payable to Petty Cash. The actual money is then placed in a cash box and left in the care of a trusted individual for safekeeping. It is from this cash that minor amounts such as postage or coffee are paid. When the cash supply is running low replenish it to the amount of receipts on hand.

If you use Petty Cash to pay for something, always get a receipt. If no receipt is possible, make a notation of what the money was used for and place it in the cash box with other receipts.

Thus the cash and receipts in the cash box should always total to the amount of the petty cash float. Each time the cash is replenished the receipts are removed, grouped in the various categories and placed in an envelope, perhaps with the category totals written on the outside of the envelope.

In the synoptic ledger, the balancing entry for the cheque being written will be to miscellaneous expense.

NSF CHEQUES

Every now and then you will take a cheque from someone which is subsequently returned by the bank as being 'NSF'. When

you are informed by your bank that such an item has been charged to your account you must make bookkeeping entries to take care of it.

If the customer who has written the NSF cheque operates as one of those who has a charge account, the entries on the synoptic ledger accounts would resemble those on Line 10 of the synoptic ledger found in Exhibit D. Imagine the regular charge account customer Mr. C. Bouncing has written a cheque for \$21.65 which the bank has now returned as NSF. On the synoptic ledger take \$21.65 out of the bank balance and show your accounts receivable as increasing by that amount. Since Mr. C. Bouncing is a regular charge account customer, pull his card from the accounts receivable ledger and increase his balance by the \$21.65. It might be wise to make notation in red ink beside the entry so that if he attempts to purchase again on credit you will be tipped off that his cheques are not to be trusted.

The entry is only slightly different if the NSF cheque writer is not one of your regular charge accounts. Examine Line 11 of the synoptic in Exhibit D. The bank has informed you that a cheque for \$38.50 written by Mr. I. Seeyalater has been returned as NSF. Take the \$38.50 out of the bank balance and show it as a miscellaneous expense. Should Mr. I. Seeyalater make his cheque good at some future time, either by bringing in currency or informing you that this cheque can now be certified and redeposited, this extra cash will appear on that day's Daily Cash Sheet. A special notation would be made to indicate where this extra cash came from and the synoptic column for miscellaneous expense would show a negative amount of \$38.50 indicating the expense has been recovered.

*

THE BANK RECONCILIATION

The bank balance as shown on the synoptic ledger can be verified each month when you receive your cancelled cheques from the bank.

Follow these simple steps each month and you will be reconciled with the bank. This means elimination of NSF cheques you didn't mean to write and leaving credit balances in currents accounts when the funds should be sent to interest-charging creditors.

1. Last Balance as per bank		XXXXX
Add: Deposits made since	XXX	
	XXX	
	XXX	
	XXX	
Sub Total		XXXXX
Less: Outstanding cheques		
	XXX	
	XX	
	X	
	XXX	
Reconciled Balance		

* PLEASE SEE G.S.T. ADDENDUM, INSIDE BACK COVER

CHAPTER THREE

PAYROLL

All but the very smallest of businesses will, at least from time to time, employ persons other than the owners.

These employees will expect to be paid and it is up to you as their employer not only to keep track of how much you pay them but also to hold back and remit part of their salaries directly to the government to cover Income Taxes, Canada Pension Plan and Unemployment Insurance.

Every employer is required by law to remit these amounts to Revenue Canada along with the employer contributions no later than the 15th day of the month following the month in which the employee received his remuneration. The simplest method of keeping track of your employees is to purchase a book in which the hours they work plus the applicable deductions can be recorded. The Workers' Compensation Board provides a free "Individual Earnings Record" book which is well organized and highly recommended.

NEW EMPLOYERS

Most employees are paid on an hourly basis and it is common practice for them to receive their pay weekly, bi-weekly or semi monthly. The proper type of book for recording hours worked for the pay period is available at any of the major stationery stores. If you are an employer for the first time you should immediately contact Revenue Canada and request the necessary forms. In Edmonton and Calgary the addresses are:

Edmonton
9700 - Jasper Avenue
T5J 4C8
Phone 420-3510

Calgary
220 - 4 Avenue S.E.
T2G 0L1
Phone 292-4101

Request "Income Tax Deductions at Source" and "Canada Pension Plan Contribution and Unemployment Insurance Premium Tables" which will determine the amount of contribution to deduct for each employee's salary, wage or other remuneration.

HOW IT WORKS

Periodically, the tables are up-dated to reflect changes in taxation rates and once you are registered the up-dated booklets will be mailed directly to you.

Imagine that you have three employees, one of whom works only part-time. You have decided to pay the staff each week and accordingly have purchased a payroll book for weekly pay periods.

An example of a typical week might look as shown in Exhibit "E".

TIME, WEEK ENDING										EXHIBIT "E"		
AUGUST 14										19 8X		
NAME	DATE	TIME	WEEK	WEEK	WEEK	WEEK	WEEK	WEEK	WEEK	WEEK	WEEK	
JONES, LARRY	7/27/78	36	430	6	00	8	00	3	00	2	00	
PETER, ROBERT	8/06/80	40	000	200	00	00	4	00	2	00	2	00
SMITH, MARY	4/4/4	12	400	48	00	00	00	00	00	00	00	

The hours for each of the three employees are totalled and their gross pay is determined by multiplying the hours by the rate of pay. In the case of employee Larry Jones, the gross pay for the week is $(36 \text{ hrs.} \times 4.50) = \$162.00$.

Turning to the source of deduction tables for 198X, it can quickly be determined that for a weekly wage of \$162.00, the following deductions are made:

Canada Pension Plan	\$2.05
Unemployment Insurance	3.81
	<u>5.86</u>

Income tax deductions are on taxable income only, not on gross income. In this example:

Gross Income	\$162.00
Minus Canada Pension Plan	2.05
Minus Unemployment Insurance	3.81
Taxable Income	<u>\$156.14</u>

Now by looking at the table for income tax deductions on a weekly basis where the income is \$156.14, it can be seen that the income tax deduction should be \$8.05. The deductions from Larry Jones' gross pay are therefore:

Canada Pension Plan	\$2.05
Unemployment Insurance	3.81
Income Tax	8.05
	<u>13.91</u>

Thus the cheque given to Larry Jones for 148.09 will represent the net amount of the gross (\$162.00) minus the deductions, (13.91).

You must enclose with the employee's cheque, a payroll record, a copy of which is shown as Exhibit "F". These are available at any stationery store and give the employee a record of what deductions were made on his behalf.

EMPLOYER CONTRIBUTION

NEW REMITTERS AND EMPLOYER NUMBER

If you are a new employer or have not remitted deductions on behalf of your employees before, do not delay the remittance until you obtain an employer number. You should send a certified cheque or money order payable to the Receiver General for Canada to your District Taxation Office, with a letter on your business letterhead explaining that this is a new remittance. Indicate the pay period covered by the remittance, give the employer's exact name and address under which the account is to be kept, and specify the amounts applicable to Income Tax, Canada Pension Plan contributions and Unemployment Insurance premiums.

The remittance must be made by the 15th day of the month following the month in which the remuneration was paid to the employees.

When your remittance is acknowledged, a form PD20 "Employer Registration" will be sent to you to complete and return.

EXHIBIT "F"
PAYROLL RECORD

No. _____ Period **AUG. 18/8X**
NAME **LARRY JONES**
Wages \$ **162.00**
Overtime \$
Holiday Pay \$
\$
TOTAL WAGES \$ **162.00**

DEDUCTIONS

INCOME TAX EXEMPT

1. Company Pension \$
2. Canada Pension Plan ... \$ **2.05**
3. Unemployment Ins. \$ **3.81**
TOTAL \$ **5.86**
TAXABLE INCOME \$ **156.14**

4. Income Tax \$ **8.05**
5. Hospitalization Ins. \$
6. Savings Bonds \$
7. Group Ins. \$
8. \$
9. \$
TOTAL \$ **8.05**
NET WAGES \$ **148.09**

Cheque Number **51**

REMITTANCE

**HOW MUCH DO YOU REMIT EACH MONTH TO THE
RECEIVER GENERAL FOR YOUR EMPLOYEES?**

Before the 15th of the month following the month in which the deduction was made, it is your responsibility to remit certain amounts to the Receiver General:

1. All of the Income Tax, Unemployment Insurance and Canada Pension Plan contributions deducted from your employees
PLUS
2. The employer must match the Canada Pension Plan contributions of his employees
PLUS
3. The employer must pay 1.4 times the employees' Unemployment Insurance contributions. For example, if the total of all employees' contributions for a month was \$90.72, the employer's contribution will be (1.4 x \$90.72) which is \$127.01.

EMPLOYMENT STANDARDS BRANCH

Every person carrying on a business in Canada is required by law to keep records and books of accounts for Income Tax, Canada Pension Plan and Unemployment Insurance purposes. These records must include enough information to determine the correct contributions and premiums to deduct from your employees. The payroll record book will suffice.

It must be done; therefore, do it right and save yourself time and trouble.

The Employment Standards Branch of Alberta Labour is responsible for administering the employment standards provisions under the Employment Standards Act. Some of the more important sections include:

1. Payroll Records.

Payroll records must be maintained at the place of business in Alberta. This information must contain all the details of employees and be retained for 3 years. Employees' wages cannot be less than legislation permits.

2. Minimum Wages.

Effective September 1, 1988:

- \$4.00/hour for students under 18 years of age, employed outside normal daily school hours or on a weekend, a vacation period or any other day the school is officially closed
- \$4.50/hour for all other employees

Certain salespersons receive a minimum of \$180.00 per week.

A student under 18 must be paid a minimum of \$8.00 if employed less than 2 consecutive hours. Other employees must be paid a minimum of \$13.50 if employed less than 3 consecutive hours.

3. Hours of Work.

The hours of work in any one day shall be confined within a period of 12 hours, including breaks, as long as there is compensation for overtime if applicable.

4. Overtime.

Overtime is payable at not less than time and one-half the employee's regular rate of pay, and is payable on all hours worked in excess of 8 hours in a day and 44 hours in a week, whichever is the greater. **UNLESS:** the employer and employee **agree in writing** that the employee be given time off with pay equal to the number of overtime hours worked. Time off in place of overtime pay shall be provided and taken at a time that would normally be a time of work for the employee and within three months of having been worked.

5. Hours of Rest.

An employer must provide at least one day of rest in each week. Rest days may be accumulated for up to 4 weeks and given as consecutive days off.

Employees must receive a 1/2 hour rest period, paid or unpaid, during each shift in excess of 5 consecutive hours of work. Some exemptions apply.

**6. Parental Benefits.
Maternity Leave**

Women employed 12 months with the same employer are entitled to 18 weeks' unpaid maternity leave. Leave may begin at any time during the 12 weeks before the estimated date of birth. The employee must give her employer 2 weeks' written notice of the date she intends to begin leave and of the date she intends to resume employment or resign.

Adoption Leave

A male or female employee employed 12 months with the same employer is entitled to 8 weeks of unpaid leave when adopting a child under 3 years of age. An employee must give the employer written notice of leave at least 2 weeks before the expected custody of the child. If 2 weeks' notice cannot be given, the employer must be notified immediately after notice of the adoption is received. The employee must provide 2 weeks' written notice before returning to work or resigning.

Employees returning from maternity or adoption leave must be reinstated in the same or a comparable position with the same wages, entitlements and other benefits as received when the leave began.

7. Disputes.

Disputes involving wages and entitlements that cannot be resolved by an Officer are taken before an "umpire" who is a Provincial Court Judge, whose adjudications of the case is final.

8. General Holidays.

There are eight days in the year declared to be General Holidays. They are New Year's Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Remembrance Day, and Christmas Day.

- (a) Where an employee has worked 30 days in the 12 months preceding the general holiday for an employer and the general holiday occurs on the employee's regular work day and the employee is not required to work, the employee shall be paid a regular days wages.
- (b) If an employee is required or scheduled to work **and is otherwise qualified for general holidays** the employer shall pay one and one-half times the regular wage for each hour worked on that day, as well as the average daily wage for the general holiday.

As an alternative to the payment of one and a half times the hours worked, the employee may be given a normal working day off with pay.

- (c) If a general holiday falls on a day that is not normally a working day for an employee, but the employee is required or scheduled to work, the employer shall pay one and one-half times the regular wage for each hour worked on that day, if the employee is eligible under (a).
- (d) If a general holiday to which an employee is entitled falls within the employee's annual vacation, the employee is entitled to another day off with pay on the 1st day the employee would have worked following the end of the vacation, or by agreement with the employer, on another working day before his next annual vacation.

Please note that general holiday pay in the construction and brush clearing industry are different. Check with the Employment Standards Branch of Alberta Labour.

9. Vacations and Vacation Pay.

Employees are entitled to a minimum of 2 weeks' vacation with pay after 1 year of employment and 3 weeks' vacation with pay after 5 years of employment with an employer.

Monthly paid employees receive vacations with pay based on their monthly salaries.

Employees paid other than by the month are entitled to 4% of their regular wages for vacation pay. After 5 years this increases to 6%.

The information provided is a summary and can change from time of printing. It is recommended that full details and updates be obtained by contacting:

EMPLOYMENT STANDARDS INFORMATION AND COMPLAINTS

Edmonton Regional Office
Room 403
10339 - 124 Street
Edmonton, Alberta
T5N 3W1
Telephone: 427-3731

Calgary Regional Office
Tower 3, Room 3300
1212 - 31 Avenue N.E.
Calgary, Alberta
T2E 7S8
Telephone: 297-4339

LABOUR STANDARDS

Although most small businesses must comply with the Alberta Employment Standards Act, there are a few small businesses which fall within federal labour jurisdiction.

The Canada Labour Code mostly applies to businesses which are interprovincial or provide interprovincial services such as:

- highway transport (interprovincial)
- telephone, telegraph and cable systems
- pipelines (interprovincial)

Also included are:

- radio and television broadcasting
- air transport

- grain elevators
- flour and feed mills, feed warehouses and grain seed cleaning plants

For information, please contact Labour Canada:

302, Energy Square	161, 220 - 4th Avenue, S.E.
10109 - 106th Street	Calgary, Alberta
Edmonton, Alberta	T2G 4X3
T5J 3L7	Telephone: 292-4566
Telephone: 495-2993	

HOW TO PAY YOURSELF

There is not much point in operating a business if you cannot enjoy the profit it makes. Generally speaking, the owner of the business is usually the last one paid, yet the hope of an excellent income is one of the major reasons why you start your own business.

A good business manager would never place an unrealistic management salary burden on a fledgling business; however, we all have obligations and your salary or drawings must be included in the projected cash flows of the business.

If your business is incorporated, you too are an employee. Therefore, determine what your salary will be and then make the deductions for Canada Pension Plan and Income Tax, just as you do for all other employees.

Self-employed people are responsible for the entire annual contribution to the Canada Pension Plan. Sole proprietorships and partnerships do not contribute towards unemployment insurance for themselves. In a limited company, if you in combination with your spouse own less than 40% then you contribute towards unemployment insurance. If you own more than 40% together with your spouse you do not contribute.

If your business operates as a proprietorship or partnership, you as the owner will still like to get paid. Any funds that you take out of the business are called a “drawing”.

Income tax and Canada Pension Plan contributions are based upon profit plus drawings. During the first year of operation no payments are remitted for either until a fiscal year end has been declared and an Income Statement prepared.

During subsequent years Revenue Canada will expect monthly payments toward income tax and Canada Pension Plan. However, since there is no precedence to base payments for the first year, it is allowed to remain payment-free until the first income statement is prepared.

CHAPTER FOUR

GENERAL INFORMATION

ALBERTA HEALTH CARE INSURANCE

Other records that are required to be kept include Alberta Health Care and Workers' Compensation.

By provincial legislation, each employer who has five or more employees must have a group number. Under five employees the separate group is optional; however, we would suggest you contact the nearest Alberta Hospitals and Medical Care office as they prefer to have one of their counsellors speak directly with you.

Additional information may be obtained by contacting:

ALBERTA HOSPITALS AND MEDICAL CARE

Edmonton

Main Floor
10025 - Jasper Avenue
T5J 1S6
Telephone: 427-1400

Calgary

2nd Floor, McLaws Building
407 - 8 Avenue S.W.
T2P 1E5
Telephone: 297-5120

THE WORKERS' COMPENSATION BOARD

Every business in Alberta must register with the Workers' Compensation Board. Assessment rates per \$100 of payroll are levied and are payable by you, the employer. Check with the nearest Workers' Compensation Board office.

Edmonton

9912 - 107 Street
P.O. Box 2415
T5J 2S5
Telephone: 427-1100

Calgary

132 - 16 Avenue N.E.
T2E 1J5
Telephone: 297-6471

Red Deer

#208, 5010 - 43 Street
T4N 6H2
Telephone: 340-5357

Lethbridge

212 - 13 Street S.
T1J 2V4
Telephone: 381-5339

Grande Prairie

10022 - 102 Avenue
T8V 0Z7
Telephone: 538-5421

Medicine Hat

204 Chinook Place
623 - 4 Street S.E.
T1A 0L1
Telephone: 529-3624

The Workers' Compensation Board has various rates for different types of business. For example, a business involved in the construction of houses would pay \$4.50 per \$100 of projected payroll. Let us assume that such a construction company anticipated its annual payroll at \$100,000. It would therefore pay \$4,500 to the Workers' Compensation Board. This would be paid in four instalments at the end of each quarter. If you open your business after April, you would have only three instalments to pay, after July, only two and after October, only one. This would happen only during the first year as thereafter, you would operate on a calendar year and make payments each quarter.

What happens if actual payroll does not equal projected payroll? No problem. Adjustments can be made each quarter and should you have overpaid your account for next year, you will be credited. Workers' Compensation inspectors will periodically audit your payroll records.

GENERAL TIPS

- Remember that your accountant's time is your money. The more organized you are when you take your books to the accountant, the less time he will spend sorting things out and accordingly, will charge you less.
- Do not throw away your cancelled cheques. Usually your cancelled cheque is your only receipt that an account has been paid and if you destroy it you are destroying your proof of payment. Keep the cheques together with the bank statement which accompanied them. Do not sort the cheques numerically, alphabetically, or any other way. Leave them as they are.
- File your copy of your sales invoice either numerically or by customer, whichever is more convenient. From time to time these will be used to look up invoice totals, stock numbers or quantities ordered.
- Keep a file of all invoices and bills that are paid. This is usually done in order of the cheque number that paid the bill, or filed according to supplier. By using one of these systems you will always be able to show which invoice was paid with which cheque.
- It is highly advisable that you perform a bank reconciliation each month.
- Discuss your financial statements with your accountant. Make sure that you understand what the various numbers represent. Accountants sometimes are accused of not providing enough counselling to clients. Perhaps you can help this situation by asking the first question.
- Remember you are running a business and if you are to keep track of its financial affairs, they must be separate from your personal affairs. Be sure to open a separate bank account for the business and use it only for business. Imagine the horrendous mess there will be if your personal bank payments, grocery bills and clothing purchases are intermingled with payments to suppliers, employee wages and other business expenses through the same bank account. If you require funds, write yourself a cheque on the business account and deposit it in your personal account.
- It is easier to keep track of transactions if you pay by cheque. The cheque is easy to record and the cancelled cheque can act as a receipt.
- It is advisable to make detailed deposit slips and keep a copy for yourself. These act as a record of revenue or involvement by the owner. An example of a deposit slip is shown.
- If you are starting a new business or have an existing business that is not as profitable as you had hoped it to be, don't be afraid to ask for help. A good place to start is the nearest office of the Department of Economic Development and Trade. Experienced business analysts will consult with you and make recommendations as to how your business can better achieve the goals and profits you hope for.



The First Canadian Bank

Bank of Montreal

Account No.

CURRENT

Current Account

Aug 18/88

Cash

ANY ALBERTA Business

Deposited by

YOURSELF

DATE	DEBIT	CREDIT	BALANCE	CHECK
	7.00	41.1	41.00	
	212.00	1x 2	2.00	
	14.00	7.1	35.00	
		9 x 10	90.00	
		1 x 20	20.00	
		x 50		
		x 100		
		5.00		
	233.00		193.00	
		233.00	233.00	
	Total Deposit		426.00	

Print > Cancel

Fax > 637-86-4663 3-11 (666-45) e-mail > Canada

ALBERTA ECONOMIC DEVELOPMENT AND TRADE OFFICES

BUSINESS LINE 1-800-272-9675

SMALL BUSINESS AND INDUSTRY DIVISION

6th Floor
9940 - 106 Street
Edmonton, Alberta
T5K 2P6
Phone: 427-3685

CALGARY

5th Floor
999 - 8 Street S.W.
Calgary, Alberta
T2R 1J5
Phone: 297-6284

CAMROSE

5005 - 49 Street
Camrose, Alberta
T4V 1N5
Phone: 679-1235

EDSON

Bag 9000
204 Provincial Building
111 - 54 Street
Edson, Alberta
T7E 1T2
Phone: 723-8229

GRANDE PRAIRIE

Room 1401
Provincial Building
10320 - 99 Street
Grande Prairie, Alberta
T8V 6J4
Phone: 538-5230

LETHBRIDGE

Bag 3014
416 Stafford Drive S.
Lethbridge, Alberta
T1J 2L2
Phone: 381-5414

MEDICINE HAT

109 Provincial Building
346 - 3 Street S.E.
Medicine Hat, Alberta
T1A 0G6
Phone: 529-3630

PEACE RIVER

Bag 900, Box 3
10122 - 100 Street
River Drive Mall
Peace River, Alberta
T8S 1T4
Phone: 624-6113

RED DEER

3rd Floor
Provincial Building
4920 - 51 Street
Red Deer, Alberta
T4N 6K8
Phone: 340-5300

ST. PAUL

Room 412
Provincial Building
5025 - 49 Avenue
St. Paul, Alberta
T0A 3A0
Phone: 645-6358

THE BUSINESS LINE

Metro Edmonton:
422-9494
Rest of Province:
1-800-272-9675

Readers of this publication can access all provincial government departments toll free by contacting their local R.I.T.E. operator, and where a R.I.T.E. operator is not available, by calling Zenith 22333.

ALBERTA TREASURY BRANCHES

CUSTOMER SERVICE LINE 1-800-332-8383

Airdrie	104 - 1st Avenue N.W.	948-5989
Andrew	5036 - 51 Street	365-3834
Athabasca	4910 - 50 Street	675-2258
Banff	317 Banff Avenue	762-8505
Barrhead	4909 - 52 Avenue	674-2241
Beaverlodge	209 - 10 Street	354-2236
Black Diamond	122 Center Avenue W.	933-4357
Bonnyville	4902 - 50 Avenue W.	826-3024
Bow Island	128 - 5th Avenue W.	545-2204
Boyle	5115 - 3rd Street	689-4099
Breton	4927 - 50 Avenue	696-3664
Brooks	219 - 2nd Street W.	362-3351
Bruderheim	Queen Street & 49 Avenue	796-3616
Calgary Main (Esso Plaza)	420 - 2nd Street S.W.	297-2009
Calgary Alberta Hotel	139 - 8th Avenue S.W.	297-6297
Calgary Brentwood	3630 Brentwood Road N.W.	297-8164
Calgary Chinook Centre	126 Chinook Centre, 6455 Macleod Trail S.W.	297-6503
Calgary Forest Lawn	3223 - 17 Avenue S.E.	297-6507
Calgary Macleod Village	4610 Macleod Trail S.W.	297-2831
Calgary North Hill	217 - 16 Avenue N.W.	230-6700
Calgary Sunridge	Suite 5, 2681 - 36 Street N.E.	291-2480
Calgary 6th Avenue S.W.	717 - 6th Avenue S.W.	297-6206
Calgary 17th Avenue	1103 - 17 Avenue S.W.	297-6202
Calgary 34th Avenue	2140 - 34 Avenue S.W.	297-7163
Camrose	4867 - 50 Street	672-3331
Cardston	24 - 2nd Avenue W.	653-3394
Caroline	5039 - 50 Avenue	722-3830
Carstairs	103 - 10 Avenue N.	337-3345
Castor	4913 - 50 Avenue	882-3110
Claresholm	115 - 49 Avenue W.	625-4451
Coaldale	1821 - 20 Avenue	345-2611
Cochrane	221 - 1st Street	932-3117
Cold Lake	703 Lakeshore Drive	639-3311
Consort	Main Street	577-3800
Coronation	5206 Victoria Avenue	578-4101
Crossfield	1214 - 16 Railway Avenue	946-4345
Daysland	5033 - 50 Street	374-3524
Didsbury	1820 - 20 Street	335-3386
Drayton Valley	5117 - 51 Street	542-4406
Drumheller	294 Centre Street S.	823-5161
Edmonton, 118th Avenue	8804 - 118 Avenue	427-4171
Edmonton, First Edmonton Place	10665 Jasper Avenue	422-4800
Edmonton, Hys Centre	11010 - 101 Street	423-3306
Edmonton, Jasper Place	15548 Stony Plain Road	486-2224
Edmonton, Killarney	12703 - 97 Street, N.W.	473-1803

Edmonton, Kingsway PSC	11541 Kingsway Avenue	455-5735
Edmonton, Main	10102 - 102 Avenue	429-9100
Edmonton, Mayfield Common PSC	#360, 10046 - 167 Street	484-5513
Edmonton, Mayfield Square	10466 Mayfield Road	484-7117
Edmonton, Millwoods	9251 - 34 Avenue	463-7577
Edmonton, Palisades Square	12800 - 137 Avenue	427-7353
Edmonton, Pepper Tree	12060 Jasper Avenue	427-7355
Edmonton, Strathcona	8008 - 104 Street	439-0428
Edmonton, Sun Life Place	#10, 10123 - 99 Street	423-3058
Edmonton, Terrace Plaza	4445 Calgary Trail	436-8333
Edmonton, West Edmonton Mall	#1434, 8770 - 170 Street	444-2027
Edson	320 - 50 Street	723-5571
Elk Point	4925 - 50 Street	724-3883
Fairview	11012 - 102 Avenue	835-4932
Falher	Railway Avenue & Main Street	837-2218
Forestburg	50 Street & 49 Avenue	582-3745
Fort Macleod	221 Macleod Blvd.	553-4444
Fort McMurray	9713 Hardin Street (Peter Pond)	743-7240
Fort Saskatchewan	9917 - 102 Street	998-5161
Fort Vermilion	Main Street	927-3781
Grand Centre	4817 - 50 Street	594-7149
Grande Prairie Main	9912 - 100 Avenue	539-7450
Grande Prairie Mall	118, 11801 - 100 Street	538-5225
Granum	310 Railway Avenue	687-3794
Grimshaw	5216 - 50 Street	332-4637
Hanna	232 - 2 Avenue W.	854-4404
High Level	10102 - 100 Avenue	926-2221
High Prairie	5201/03 - 49 Street	523-5201
Hinton	207 Pembina Avenue	865-2294
Hythe	10026 - 101 Avenue	356-3823
Innisfail	4962 - 50 Street	227-3350
Killam	5001 - 50 Street	385-3751
Lac La Biche	10111 - 102 Avenue	623-4446
La Crete	Main Street	928-3777
Lacombe	5102 - 50 Avenue	782-3550
Lamont	5130 - 50 Avenue	895-2261
Leduc	4809A - 50 Avenue	986-2226
Lethbridge Main	601 Mayor Magrath Drive	382-4388
Lethbridge 6th Street	319 - 6th Street S.	381-5431
Lethbridge Personal Service Centre	Suite 101, 1112 - 2nd A. Avenue North	
Linden	104 Central Avenue E.	546-3993
Lloydminster	5008 - 49 Street	875-8901
Magrath	82 - 1st Avenue S.W.	758-3345
Manning	10024 - 101 Avenue	836-3301
Mayerthorpe	4910 - 50 Street	786-2207
McLennan	1st Avenue & Centre Street	324-3975

Medicine Hat 2nd Street	536 - 2nd Street S.E.	529-3601
Medicine Hat Carry Drive	93 Carry Drive S.E.	529-3106
Milk River	140 Main Street N.E.	647-3532
Nanton	2202 - 20 Street	646-2207
Okotoks	41 Elizabeth Street	938-7232
Olds	4901 - 50 Avenue	556-3232
Onoway	4809 - 50 Street	967-2201
Oyen	200 Main Street	664-3553
Peace River	9911 - 100 Avenue	624-6174
Picture Butte	330 Highway Avenue	732-5611
Pincher Creek	769 Main Street	627-3304
Ponoka	5110 - 49 Avenue	783-3301
Provost	5013 - 50 Street	753-2247
Raymond	69A Broadway Street N.	752-4511
Red Deer Main	4911 - 51 Street	340-5130
Red Deer Riverside	4919 - 59 Street	340-5384
Redwater	4832 - 50 Avenue	942-4545
Rimbey	5037 - 50 Avenue	843-2291
Rocky Mountain House	4912 - 50 Street	845-2811
Rycroft	4635 - 50 Street	765-3624
Ryley	5101 - 50 Street	663-3513
Sherwood Park	200 Sherwood Drive	464-4444
Sherwood Park Wye Garden	#1, 99 Wye Road	449-3636
Slave Lake	301 Main Street	849-3911
Smoky Lake	50 Wheatland Avenue	656-3833
Spirit River	4518 - 50 Street	864-3650
Spruce Grove	250 King Street	962-6000
St. Albert	1504 Tudor Glen Market, Gervais Road & St. Albert Trail	459-1221
St. Paul	4801 - 50 Avenue	645-4406
Stettler	5007 - 50 Street	742-4466
Stony Plain	5014 - 50 Street	963-2214
Strathmore	137 - 2nd Avenue	934-5293
Sundre	304 Main Street W.	638-4312
Taber	5317 - 48 Avenue	223-8941
Thorsby	4816 - 50 Street	789-3885
Three Hills	211 Main Street	443-5571
Tofield	5120 - 50 Street	662-3773
Trochu	201 Main Street	442-4200
Two Hills	5002 - 50 Avenue S.	657-3391
Valleyview	4957 - 50 Avenue	524-3965
Vegreville	4931 - 50 Street	632-2340
Vermilion	5014 - 50 Avenue	853-5293
Viking	5211 - 50 Street	336-3209
Vulcan	212 Centre Street	485-2271
Wainwright	509 Main Street	842-3355
Westlock	10532 - 100 Avenue	349-4481
Wetaskiwin	5202 - 50 Avenue	352-7300
Whitecourt	5117 - 50 Street	778-2442
Wildwood	5115 - 50 Street	325-3837

G.S.T. RECORDS

For the most part, you will be able to use the same books and records you maintain for income tax purposes to keep track of the GST you pay and collect. Only minor changes in bookkeeping will be needed.

The two sample pages below show the books of the same firm in two different quarters. In the first, the amount of GST collected by the company exceeds the amount paid. At the end of the quarter, the company remits the difference to the government. In the second, all the transactions are the same except for a major capital purchase of two service trucks. Here, the GST paid exceeds that collected, so the company is due a GST refund.

GST remittance payable

A1 Plumbing and Fixtures Company

Date	Description	Current Acct		Rev	al ment	GST Collected	GST Paid
		Cash in	Cash out				
Mar. 1	Balance Forward						
Mar. 2	Antique bath & shower	10700.00				700.00	
Mar. 4	Heating fuel		321.00				21.00
Mar. 6	Reception desk		428.00				28.00
Mar. 8	Installation of shower	1284.00				84.00	
Mar. 15	Telephone charges		107.00				7.00
Mar. 16	Installation of plumbing	32100.00				2100.00	
Mar. 20	Gas for trucks		1070.00				70.00
Mar. 22	Accounting fees		214.00				14.00
Mar. 28	Repairs to truck		321.00				21.00
TOTAL						\$2884.00	\$161.00

Your GST remittance of \$2,723 equals GST collected (\$2,884) minus GST paid (\$161).

GST refund due

A1 Plumbing and Fixtures Company

Date	Description	Current Acct		Rev	al ment	GST Collected	GST Paid
		Cash in	Cash out				
Jun. 1	Balance Forward						
Jun. 2	Antique bath & shower	10700.00				700.00	
Jun. 4	Heating fuel		321.00				21.00
Jun. 6	Reception desk		428.00				28.00
Jun. 8	Installation of shower	1284.00				84.00	
Jun. 15	Telephone charges		107.00				7.00
Jun. 16	Installation of plumbing	32100.00				2100.00	
Jun. 20	Gas for truck		1070.00				70.00
Jun. 22	Accounting fees		214.00				14.00
Jun. 28	Two service trucks		53500.00				3500.00
TOTAL						\$2884.00	\$3640.00

Your GST refund of \$756 equals GST collected (\$2,884) minus GST paid (\$3,640).

Although you will not need to submit them with your GST returns, you should retain all relevant books and records for six years, the same length of time you keep them for income tax purposes.



Alberta
ECONOMIC DEVELOPMENT
AND TRADE

Telephone: (403) 427-3685
The Business Line
1-800-272-9675



Alberta Treasury Branches
Guaranteed Financial Services

Customer Service Line
1-800-332-8383